

SENATE BILL 3668

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 56,
Chapter 7, relative to dependent children.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-2302(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a)

(1)

(A) An individual hospital or medical expense insurance policy or contract, as provided under chapter 26, 28 or 29 of this title, delivered or issued for delivery in this state, or that is amended or renewed by agreement or otherwise, on or after August 13, 1986, and that provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the policy, shall also provide that the limiting age not be earlier than twenty-four (24) years for those dependent children who are unmarried and dependent on the insured for support and maintenance. This subdivision (a)(1)(A) shall not be construed to require coverage for a dependent child under the policy of insurance, if the dependent child would be otherwise ineligible for the coverage either by the terms of the policy of insurance or other provisions of this title, except those relating to the limiting age for the dependent child stated in this subdivision (a)(1)(A).

(B) A group hospital or medical expense insurance policy or contract, as provided under chapter 26, 28 or 29 of this title, delivered or

issued for delivery in this state, or that is amended or renewed by agreement or otherwise, on or after August 13, 1986, and that provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the policy, shall also provide that the limiting age not be earlier than twenty-four (24) years for those dependent children who are unmarried and dependent on the insured for support and maintenance. This subdivision (a)(1)(B) shall not be construed to require coverage for a dependent child under the policy of insurance if the dependent child would be otherwise ineligible for the coverage either by the terms of the policy of insurance or other provisions of this title, except those relating to the limiting age for the dependent child stated in this subdivision (a)(1)(B).

(2) Notwithstanding subdivision (a)(1),

(A) An individual hospital or medical expense insurance policy or contract, as provided under chapter 26, 28 or 29 of this title, delivered or issued for delivery in this state, or that is amended or renewed by agreement or otherwise, on or after the effective date of this act, and that provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the policy, shall also provide that the limiting age not be earlier than twenty-six (26) years for dependent children. This subdivision (a)(2)(A) shall not be construed to require coverage for a dependent child under the policy of insurance, if the dependent child would be otherwise ineligible for the coverage either by the terms of the policy of insurance or other provisions of this title, except those relating to the limiting age for the dependent child stated in this subdivision (a)(2)(A).

(B) A group hospital or medical expense insurance policy or contract, as provided under chapter 26, 28 or 29 of this title, delivered or

issued for delivery in this state, or that is amended or renewed by agreement or otherwise, on or after September 1, 2012, and that provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the policy, shall also provide that the limiting age not be earlier than twenty-six (26) years for dependent children. This subdivision (a)(2)(B) shall not be construed to require coverage for a dependent child under the policy of insurance if the dependent child would be otherwise ineligible for the coverage either by the terms of the policy of insurance or other provisions of this title, except those relating to the limiting age for the dependent child stated in this subdivision (a)(2)(B).

SECTION 2. Tennessee Code Annotated, Section 56-7-2302, is amended by adding the following language as a new subsection (f):

(f)

(1) All policies or contracts as described in subdivision (a)(2), are prohibited from:

(A) Defining "dependent" for purposes of eligibility for dependent coverage for a child other than in terms of a relationship between a child and the covered person; provided, however, that no policy or contract is required to make coverage for a child of a child receiving coverage as provided in subdivision (a)(2), unless the grandparent becomes the legal guardian or adoptive parent of that grandchild;

(B) Denying or restricting coverage for a child who has not attained the age of twenty-six (26) years based on the presence or absence of the child's financial dependency on the covered person,

residency with the covered person, marital status, student status, employment, or any combination of these factors; and

(C) Varying terms of coverage based on age except for children who are twenty-six (26) years of age or older.

(2) Any child whose coverage ended, who was denied coverage, or who was not eligible for group or individual health insurance coverage under a health benefit plan because, under the terms of such plan, the availability of dependent coverage of a child ended before attainment of the age of twenty-six (26) years, shall be given written notice of the opportunity to enroll by the carrier of such plan. The child shall be offered all the benefits available to, and shall not be required to pay more for coverage than, similarly situated individuals who did not lose coverage by reason of cessation of dependent status.

(A) The carrier shall provide the child written notice of the opportunity to enroll no later than the first day of the next plan or policy year, and shall provide for an enrollment period that continues for at least thirty (30) days.

(i) The written notice shall contain a statement that a child is eligible to enroll in dependent coverage if coverage ended, coverage was denied, or the child was ineligible for coverage because the availability of dependent coverage for a child ended before the attainment of twenty-six (26) years of age.

(ii) The notice required by this subdivision (f)(2)(A), may be provided to the covered person on behalf of the covered person's child.

(iii) For group health insurance coverage, the notice may be included with other enrollment materials that the carrier distributes to employees, provided the statement is prominent.

(B) For any child that enrolls pursuant to subdivision (f)(2)(A), the coverage shall take effect no later than the first day of such plan or policy year.

(C)

(i) This subsection (f) shall apply to all policies or contracts as described in subdivision (a)(2), except that for plan years beginning before January 1, 2014, a grandfathered group health plan that makes available dependent coverage for a child may exclude a child who has not attained the age of twenty-six (26) years from coverage only if the child is eligible to enroll in an eligible employer-sponsored health benefit plan, as defined in § 5000A(f)(2) of the Internal Revenue Code, other than the group health plan of a parent.

(ii) For plan years beginning on or after January 1, 2014, any grandfathered plan shall comply with the requirements of subdivision (a)(2) and this subsection (f).

(3) For purposes of subdivision (a)(2) and subsection (f):

(A) "Child" means a son, daughter, stepchild, adopted child, including a child placed for adoption, foster child, or any other child eligible for coverage under a health benefit plan;

(B) "Covered benefits" or "benefits" means those health care services to which an individual is entitled under the terms of a health benefit plan;

(C) "Covered person" means a policyholder, subscriber, enrollee, participant, or other individual covered by a health benefit plan;

(D) "Grandfathered plan" means coverage provided by a health carrier in which an individual was enrolled on March 23, 2010, for as long as such plan maintains that status in accordance with federal law;

(E) "Health benefit plan" means a policy, contract, certificate, or agreement offered by a health carrier to provide, deliver, arrange for, pay for, or reimburse any costs of health care services. "Health benefit plan" includes short-term and catastrophic health insurance policies, and a policy that pays on a cost-incurred basis, except as otherwise specifically exempted in this definition. "Health benefit plan" does not include "excepted benefits" as defined in § 56-7-2802; and

(F) "Health carrier" means an entity subject to the insurance laws and regulations of this state and subject to the jurisdiction of the department that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services, including an insurer licensed to sell accident and sickness insurance, a health maintenance organization, a health services plan, or any other entity providing a plan of health insurance, health benefits, or health care services.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.